

MONTAGUE FINANCE COMMITTEE - MEETING NOTICE

Wednesday, November 9, 2022 at 6:00 PM

Town Hall, One Avenue A, Turners Falls, MA 01376

This meeting will be held remotely.

Join Zoom Meeting <https://us02web.zoom.us/j/85916016153>

Meeting ID: 859 1601 6153

One tap mobile

+13126266799,,85916016153# US (Chicago)

+16465588656,,85916016153# US (New York)

Meeting Being Recorded

Votes May Be Taken

Recordings are archived at <https://vimeo.com/mctvchannel17/videos>

1. 6:00 **Call to order**, including announcing that the meeting is being recorded, roll call, welcome to visitors, and guidelines for participation
2. 6:05 **Review of Meeting Minutes:** October 19, 2022
3. 6:10 **Updates from Town Administrator**
 - a. FY24 Budget Message
 - b. Preliminary budget considerations
 - c. Potential requests for additional services
4. 6:20 **Review Budget Calendar**
5. 6:25 **Preliminary Affordable Assessment**
6. 6:30 **Preliminary plans for Free Cash and CWF Retained Earnings**
7. 7:05 **CIC Check-In**
8. 7:15 **Update on DPW Discretionary Account Proposal from CIC**
9. 7:20 **Future meeting topics**
10. 7:25 **Topics not anticipated** within 48 hours of posting

Meeting materials: <https://montague-ma.gov/d/7704/Finance-Committee>

More info: <https://montague-ma.gov/g/45/Finance-Committee1100>

MONTAGUE FINANCE COMMITTEE

Draft Minutes

Wednesday, October 19, 2022 at 6:00 p.m.

This meeting was held via Zoom and recorded: <https://vimeo.com/762319157>

PRESENT: Chair Francia Wisnewski, Vice-Chair Greg Garrison, Clerk Dorinda Bell-Upp, Chris Menegoni, John Hanold, Jennifer Waryas and Fred Bowman, members; Town Accountant Carolyn Olsen; Town Administrator Steve Ellis, Ariel Elan, resident and Scribe BettyLou Mallet.

1. CALL THE MEETING TO ORDER

The meeting was called to order at 6:00 p.m. by Chair Francia Wisnewski. The meeting is being recorded by CO and aired on MCTV. Members welcomed back Fred Bowman.

2. REVIEW OF MEETING MINUTES – September 21, 2022

All members received the draft minutes of the September 21, 2022 meeting. There were no questions or revisions. **On a motion by GG and second by JH, the minutes of September 21, 2022 were approved as written. JH, aye; DB-U, aye; JW, aye; GG, aye; FB, aye; CM, aye; FW, aye.**

3. SCRIBE POSITION

FW opened the discussion regarding the scribe position. BettyLou Mallet joined the discussion saying she asked the Chair to place this on the agenda. She likes to check in with the committee every so often. She stated when she was approached and discussed the position with the previous Chair, she stated she would help until another scribe was found. Members asked questions regarding the complexity of the job as well as compensation. BettyLou stated it took some time to become familiar with the members and the terms used. She also stated the position is convenient when able to watch online, take notes and create the minutes. Steve Ellis offered to place information on the town website which also links to Facebook. JW will also assist in advertising for the position and will work with FW.

4. FOLLOW-UP ON STM VOTES, IF NEEDED

FW opened the opportunity for members to discuss the outcome of the Special Town Meeting votes. DB-U stated it was a 1 ½ hour meeting, she felt the questions were standard for new town meeting members as well as lengthy discussions about the Sealer of Weights and Hillcrest School. JH felt the largest discussion was regarding the contract settlement issues. His suggestion is for the committee members to keep answers closer to the warrant article descriptions in order to hold the meeting in a reasonable amount of time. FW felt the meeting flowed at a good pace. She'd like to discuss how to support the town meeting members and give them the basic information in their packets which may help alleviate some of the questions brought up at town meeting. SE felt the meeting consisted of respectful conversation and that it is gratifying to have a quorum; however, he suggests examining the attendance patterns for town meeting.

5. UPDATES FROM TOWN ADMINISTRATOR AND TOWN CLERK

a. 5 YEAR BUDGET FORECAST

CO spoke about the grant to create a budget forecast which was completed about a year ago. She explained that due to the fact that the formatting is different from the way she presents budgets, she created her version which she labeled as “informal” and gave the comparison between the “formal” and “in-

formal” forecasts. She opened the conversation to members with questions. She explained that the margin of error between the “formal” and “informal” versions was minimal. Members would like to have more time to review the documents and perhaps bring this topic back for future conversation.

b. SCHOOL REGIONALIZATION (STRPB) FOCUS GROUP MEETING

SE spoke about the focus group which is to start on Monday November 14. The FinCom is welcome to jointly post the meeting and join for the first hour. This discussion is regarding the effort supported by the State to regionalize Gill-Montague and Pioneer. SE also mentioned that Gill would like to have a separate meeting with the Finance Committee which would be on Tuesday, January 31, 2023. This will be an in-person or hybrid meeting.

c. FREE CASH AND RETAINING EARNINGS

CO shared her screen for the committee and audience to review. She described the General Fund Balance sheet which shows the Assets, Liabilities and Fund Balance. She described to the members how free cash is calculated. She also showed the end-of-year undesignated fund balance calculation and line items of what has been “backed-out” to determine free cash. CO also reviewed the FY22 revenues, showing the budget, the actual and variance between the budget and actual amounts by category. The larger variances were explained. JW questioned the amount of penalties and interest paid and CO stated that statutes require a 14% interest rate on outstanding tax bills.

6. FINALIZE RECOMMENDED FINANCIAL POLICIES; A1 (ANNUAL BUDGET PROCESS)

The committee received policy A-1 (Annual Budget Process) which was reviewed and revised by the CIC (Capital Improvement Committee). GG described the various changes the CIC made throughout the policy. There was no discussion. **On a motion by JH and second by JW, policy A-1 Annual Budget Process was approved by the Finance Committee as revised by the CIC. JH, aye; DB-U, aye; JW, aye; CM, aye; GG, aye; FW, aye. (FB was offline and unable to vote).**

7. CONSIDER LIMITS ON DPW DISCRETIONARY ACCOUNT TOTAL BALANCE AND INDIVIDUAL PURCHASES

FW reviewed the past conversations regarding the discretionary account with the Finance Committee. The DPW Superintendent is advocating to receive \$100,000 each year in a discretionary account as well as requesting the ability to carry over leftover funds from the previous year in the same fund. Large purchases will be brought before town meeting. GG stated the CIC will be working on language regarding a cap being placed for such purchases. The CIC will continue discussions at their November 7, 2022 meeting.

8. FUTURE MEETING TOPICS - none

9. TOPICS NOT ANTICIPATED WITHIN 48 HOURS OF POSTING

FW mentioned a presentation she viewed by the Department of Revenue (Division of Local Services) regarding cherry sheets (link below). If any other members wish to view, please let her know. She also stated she toured the Clean Water Facility and encourages other members to tour it when Superintendent Little holds a public tour of the facility.

NEXT MEETING DATE – Wednesday, November 9, 2022. CO will be out of the office the first two weeks in November. SE, Wendy Bogusz or DB-U can post the agenda.

10. ADJOURNMENT

On a motion by FB and second by JW, the meeting adjourned at 7:32 p.m. JH, aye; DB-U, aye; CM, aye; JW, aye; GG, aye; FB, aye; FW, aye.

Respectfully submitted,
BettyLou Mallet
Scribe

Meeting materials: Agenda 10/19/2022; Draft Minutes 09/21/2022; Notes on financial forecasting; 5-year summary of projected revenues and expenditures; A-1 Annual Budget Process policy; Free Cash Analysis 09/20/2022.

Everything You Ever Wanted to Know About Cherry Sheets Link - (1) Webinar: Everything You Ever Wanted to Know About Cherry Sheets - YouTube



Montague Town Administrator FY24 Budget Message

From: Steven Ellis, Town Administrator
To: Department Heads
Subject: FY24 Budget Message
Date: October 25, 2022

Dear Colleagues,

Winter is around the corner and so too is Montague's Annual Budget Process! This letter is intended to offer direction relative to departmental operating budget requests. **All departmental budget requests are to be submitted to Carolyn Olsen by 4pm on Monday, December 12** and you are welcome to submit them sooner. Carolyn distributed budget worksheets along with this Budget Message. Please let her know if you did not receive yours or contact either of us if you have other questions.

As we look ahead, the FY24 budget process begins with optimism, but with uncertainty relative to future years. As we begin this budget cycle, **we have confidence that state aid and local receipts will maintain present levels, but with only modest/incremental growth likely**. Inflation and a softening economy raise concerns for revenues in FY25 and beyond, suggesting a conservative approach to finances is prudent. However, there is no present evidence of a decline in revenue that would necessitate reductions in spending that would decrease required public services or efficiency.

Department heads may submit level-services budget requests at any time without further review. If, however, you propose a substantive change in your budget or staffing plan, it should be brought to my and Carolyn's attention no later than November 15. This will provide a chance for us to review the requests with you internally, ahead of bringing them to the Selectboard and Finance Committee for advance discussion. This smooths out the full request review process that begins in January.

As in the past, your submission must be accompanied by a completed budget narrative describing substantive changes from the previous year's submission. That simple form is also attached to this email. As in the past, departments with multiple sub-budgets do not need to answer the same questions multiple times or to file narratives for any lesser sub-budgets for which substantive changes are not proposed.

Thank you for the time and attention you put into development of your budgets and narratives. Quality work on the front end will save time through the course of the budget season.

Please feel free to schedule a time to speak with Carolyn or me if you have any technical or other questions about the process, or substantive changes to propose.

Thank you,

A handwritten signature in black ink that reads "Steven Ellis". The signature is written in a cursive style with a large, stylized initial 'S'.

Steven Ellis
Town Administrator

Deadlines

- Selectboard
- Wendy
- Steve
- Carolyn
- Education
- CIC

FY2024 BUDGET SCHEDULE (v 2022-10-26)

Schedule Targets:

ATM May 6 2023
 FinCom
 Dates

Nov 1, Prelim AA to GM, budget forms to depts
 Town Dept Preliminary Capital Requests 11/1
 Notice of expanded budget requests due 11/15
 FY23 tax rate classification hearings (11/12-28)

NOVEMBER 2022

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9		11	12
13	14	15	16	17	18	19
20	21	22	23		25	26
27	28	29	30			

CIC check-in

GMRSD Capital Requests Due Dec 1
 Budget requests due to Acct 12/12

DECEMBER 2022

S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21		23	24
25		27	28	29	30	31

CIC/ATA solidify capital article slate 1/11
 UGGA Numbers Announced at MMA 1/20?
 SB meeting focused on FY23 budget 1/23
 TA brings SB budget reccos to FC 1/25
 Governor's House budget released by now

JANUARY 2023

S	M	T	W	Th	F	S
1		3	4	5	6	7
8	9	10	11	12	13	14
15		17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Review Budget
 Consider schedule

GMRSD Budget
 (Joint Mtg)

warrant packets mailed for 2/23 STM 2/7
 school budget hearings GMRSD 2/8; FCTS 2/9
 Special Town Meeting tentative 2/23

FEBRUARY 2023

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19		21	22	23	24	25
26	27	28				

Last Year Below
 STM articles, start 2/1, cont 2/8 if needed
 Hum Serv, Cult&Rec, Public Works
 Public Safety, BoH
 General Govt
 CWF, Airport
 AA final # for FY24 to GMRSD by 2/28

school budget votes GMRSD 3/7; FCTS 3/8
 3/16 May ATM articles due
 CO Drafts Motions 3/28
 SB approve draft warrant/
 absolute final date for articles 3/30

MARCH 2023

S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

3/8: FC responds to SB
 3/15: CIC/FC/SB - capital requests, CIC report due
 3/22: SB/FC reconciliation
 3/29: FC balancing; plan for report

SB executes final warrant (deadline 4/10)
 post warrant on 4/13 (deadline 4/20)
 Mail and post warrant packet 4/20 (deadline 4/25)

APRIL 2023

S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16		18	19	20	21	22
23	24	25	26	27	28	29
30						

4/5: FC final votes, reviews background
 FC and CIC reports finalized by 4/12

MAY 2023

S	M	T	W	Th	F	S
	1	2	3	4	5	6

5/3: FC Town Meeting prep
 ATM 5/6

FY24 Affordable Assessment Calculation

Current Allocation Methodology Summary	Original Estimated Revenue		
Net Levy (Total less allowance for Abatements)	21,394,033		
Less Excluded Debt (+ GMRSD Debt for town bldgs)	<u>(1,182,917)</u>		
Available Levy	20,211,116		
Net State Aid (Total less Charges & Offsets)	1,914,986		
Local Receipts	1,814,265		
Free Cash recommended for Operating Expenses	-		
Total Available Sources for Operating Expenses	<u>23,940,367</u>		
Total Sources for GMRSD Operating			
48.5 % of Available Sources to GMRSD Operating	11,611,078		
Montague's share Excluded GMRSD Debt	<u>114,333</u>		
Total	<u>11,725,411</u>	-	
Requested Assessment	11,725,411	-	11,341,466 FY22 Actual
Amount above "affordable" (From GMRSD Stabilization)	-	-	<u>11,725,411</u>
	-	-	383,945 Increase
Taxation share	<u>11,725,411</u>	-	3.39% % incr
Total Sources for GMRSD Operating			
48.5 % of Available Sources to GMRSD Operating			
Montague's share Excluded GMRSD Debt			
Total			

Revenue Estimates for FY2022 TOC	FY2020	FY2021	FY2022	FY2023	FY2024 Proposed
	Actual Recap	Actual Recap	Budget Est	Budget Estimates	Budget Estimates using forecasti
Prior Year Limit	17,194,323	18,178,839	19,037,452	19,683,180	20,231,333
2.50%	419,853	454,471	475,936	492,080	505,783
New Growth	564,663	404,142	169,792	56,073	75,000
Debt Exclusion	925,371	1,165,193	1,156,948	1,182,556	1,182,917
Excess Capacity	(300,815)	(509,000)	(634,172)	(500,000)	(500,000)
Subtotal Tax Levy	18,803,395	19,693,645	20,205,956	20,913,889	21,495,033
Less Allowance for A&E	(133,913)	(150,000)	(69,425)	(100,000)	(101,000)
Net Levy	18,669,482	19,543,645	20,136,531	20,813,889	21,394,033
State Aid		FC	FC		Gov Budg
Unrestricted Aid	1,521,832	1,521,832	1,575,906	1,617,624	1,649,976
Veterans' Benefits	104,740	57,632	51,118	66,176	66,176
Exemptions V/B/SS/Eld	35,811	48,208	36,914	37,105	36,734
State Owned Land	221,320	229,400	252,976	252,836	257,893
Public Libraries	14,470	14,141	18,651	18,651	18,651
less offset	(14,470)	(14,141)	(18,651)	(18,651)	(18,651)
Subtotal Cherry Sheet	1,883,703	1,857,072	1,916,914	1,973,741	2,010,779
Less State Charges	(91,871)	(94,593)	(91,919)	(93,915)	(95,793)
Net State Revenue	1,791,832	1,762,479	1,824,995	1,879,826	1,914,986
Local Receipts					
Motor Vehicle Excise	753,028	785,960	652,500	875,000	892,500
Other Excise	1,463	1,362	1,000	-	-
Meals Tax	61,187	48,185	40,000	60,000	64,000
Penalties & Interest	132,315	155,020	110,000	140,000	143,000
PILOT	14,976	10,999	14,000	14,000	14,000
Charges for Trash Disposal	276,907	314,699	238,000	283,000	283,000
Rental - 50% of Kearsarge + other rer	79,364	80,793	82,247	83,272	86,235
Other Charges for Service	60,633	90,549	54,760	60,000	61,000
Building Permits				128,000	131,000
Licenses & Permits	149,840	186,129	125,000	44,000	49,000
Fines & Forfeits	22,789	21,761	16,000	15,000	16,000
Investment Income	24,901	2,973	2,000	1,000	1,500
FCTS reimb for SRO-shown below					
Miscellaneous Recurring	83,989	43,844	69,668	62,000	73,030
Misc. Non-Recurring	6,169	22,953			
Total Local Receipts For AA	1,667,561	1,765,227	1,405,175	1,765,272	1,814,265
Other Local Receipts					
FCTS SRO Reimb	81,673	73,957	77,165	77,000	77,500
GMRSD SRO Reimb	62,812	50,250	50,250	65,000	50,000
50% Kearsarge Lease	79,364	80,793	82,247	83,728	85,235
Grand Total Local Receipts	1,891,410	1,970,227	1,614,837	1,991,000	2,027,000
Available Funds					
Capital Stabilization			250,000	225,000	300,000
GMRSD Stabilization			56,511		
FCTS Stabilization			27,262		
Cannabis Impact Stabilization			120,050	173,800	-
Transportation Infrastructure		47	60	13	-
Receipts Res for Approp	95,400	79,750	67,050	49,950	39,750
Total Available Funds	95,400	79,797	520,933	448,763	339,750
Free Cash					
Individual Articles	370,044	571,743	283,200	251,242	300,000
Reduce Levy	100,000				
Total Free Cash	470,044	571,743	283,200	251,242	300,000
Grand Total General Revenue	22,694,319	23,722,891	24,380,496	25,384,720	25,975,769

Free Cash Certification
Free Cash Calculation - Fiscal Year 2023

Begin:	
Unreserved Undesignated Fund Balance	3,400,787.00
Subtract:	
Personal Property Tax Receivable	188,475.00
Real Estate Tax Receivable	516,089.00
Other Receivables in Deferred Revenue	
	0.00
Total	0.00
Other Receivables, Overdrawn Accounts, Deficits	
oustanding recievable variance	1,995.00
Chapter 90	25,618.00
W/H	304.00
other liabilities	2,269.00
police outside duty	48,330.00
Eversource Flail lease	24,372.00
ASMP21PB5330B5VLTGEN	5,013.00
ASMP Beacon	6,858.00
ASMP John Deere	33,000.00
ASMP Bldg Safety	22,893.00
due from retirement	235.00
due from fire district	450.00
Total	171,337.00
Free Cash Voted from Town Meeting Not Recorded	0.00
Add:	
Circuit Breaker, Other Closed Accounts, Adjustments:	
	0.00
Total	0.00
Deferred Revenue (Credit Balance+, Debit Balance-)	-55,060.00
Free Cash Calculation for 2022	2,469,826.00
Reviewed By:	David Guzman

Free Cash Certification
Free Cash Calculation - Fiscal Year 2023

Certified On:	9/20/2022
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Free Cash Certification
Retained Earnings Calculation - SEWER - Fiscal Year 2023

Enterprise Fund Number	A-2(1ST)
Type of Enterprise Fund	Sewer
Name of Enterprise Fund/Statutory Reference	SEWER

Part I Cash	758,001.00
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Current Liabilities, Designations of Fund Balance:

Accounts Payable	0.00
Payroll Payable	8,025.00
Warrants Payable	62,738.00
Encumbrances	110.00
Expenditures	266,714.00
Continuing Appropriations	0.00
Other Liabilities	
other liabilities	50.00
Total	337,637.00

Cash less Current Liabilities	420,364.00
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Part II Retained Earnings, Undesignated	423,687.00
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Accounts Receivable (net):

User Fees	0.00
Other Accounts Receivable	
other receivables	440.00
Due to/from	2,883.00
Total	3,323.00

Undesignated Retained Earnings Less Accounts Receivable	420,364.00
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Fixed Assets

Debits:

	0.00
Total	0.00

Credits:

	0.00
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Free Cash Certification

Retained Earnings Calculation - SEWER - Fiscal Year 2023

Total	0.00
Fixed Assets Variance (Debits - Credits)	0.00

Free Cash Certification

Retained Earnings Calculation - AIRPORT - Fiscal Year 2023

Enterprise Fund Number	A-2(2ND)
Type of Enterprise Fund	Airport
Name of Enterprise Fund/Statutory Reference	AIRPORT

Part I Cash	-27,246.00
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Current Liabilities, Designations of Fund Balance:

Accounts Payable	0.00
Payroll Payable	947.00
Warrants Payable	1,879.00
Encumbrances	0.00
Expenditures	0.00
Continuing Appropriations	0.00

Other Liabilities

FAA Cares Money Received	-32,051.00
Other Liabilities	950.00
Total	-28,275.00

Cash less Current Liabilities	1,029.00
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Part II Retained Earnings, Undesignated	928.00
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Accounts Receivable (net):

User Fees	0.00
Other Accounts Receivable	
FAA Cares Money Received	-32,050.00
continuing Appropriations	31,949.00
Total	-101.00

Undesignated Retained Earnings Less Accounts Receivable	1,029.00
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Fixed Assets

Debits:

	0.00
Total	0.00

Credits:

Free Cash Certification

Retained Earnings Calculation - AIRPORT - Fiscal Year 2023

	0.00	
Total	0.00	
Fixed Assets Variance (Debits - Credits)		0.00